# San Francisco Bay Conservation and Development Commission

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**TO:** Commissioners and Alternates

**FROM:** Lawrence J. Goldzband, Executive Director (415/352-3653; larry.goldzband@bcdc.ca.gov)
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**SUBJECT:** **Staff Report and Recommendation to Accept a $284,718 Grant Award from the U.S. Environmental Protection Agency**
(For Commission consideration on March 17, 2022)

## Summary


The staff recommends that the Commission authorize the Executive Director to enter into a contract with the U.S. Environmental Protection Agency (USEPA) to receive a $284,718 grant; BCDC's proposal was selected through a competitive process to develop and implement a project that will increase BCDC's and the region's ability to expand sediment and soil use to make wetlands and shorelines more resilient to rising sea levels. The total grant proposal is $379,624, of which USEPA will provide 75 percent ($284,718) and BCDC will provide 25 percent ($94,906) through in-kind staff work. Staff is seeking up to $150,000 of additional funds from other sources to fully fund this project at $529,624. Staff also recommends that the Commission authorizes the Executive Director to enter into a contract or interagency agreement to receive such additional funds if and when staff receive a commitment for the additional funds. In addition, the staff recommends that the Commission authorize the Executive Director to amend the contract if the amendment does not involve substantial changes in scope or exceed 10 percent of the total amount of the contract.


## Background

Most of the vast wetlands that once rimmed San Francisco Bay have been lost or degraded due to human activities such as diking and draining, leaving large areas known as diked Baylands subsided below sea level. Wetlands provide transitional habitat between estuarine waters and uplands, absorb flood waters, buffer waves along the shoreline, and can assist the region in adapting to rising seas. The Bay Area community has mobilized to restore these areas through the *Baylands Habitat Goals Report* (updated in 2015 to address climate change) and through

the *Long Term Management Strategy for Dredged Material Placement in the Bay Region* (LTMS) *Management Plan*, which is designed to increase the use of dredged sediment from navigation dredging projects to raise elevations at restoration sites and other beneficial uses. Regionally, beneficial reuse of dredged sediment has successfully contributed to the restoration of subsided diked Baylands at four landscape-scale wetland restoration projects, and a combination of dredged sediment and upland soil has been used at one restoration site. Placing dredged sediment at subsided locations allows wetland vegetation to quickly establish. However, only approximately 40 percent of available dredged sediment has been used in the past 20 years due to policy, funding, equipment, and site availability constraints.

Unfortunately, according to the San Francisco Estuary Institute's 2021 report *Sediment for Survival,* approximately 450 to 650 million cubic yards of sediment and soil will be required to restore and sustain the Bay's wetlands in the face of rising seas through 2100. However, suspended sediments in Bay waters that could help feed restored wetlands have decreased from historic levels and there is a severe shortage of sediment supplies from other sources such as dredging projects in San Francisco Bay, which will adversely affect restoration efforts and the Bay's tidal marshes' ability to keep pace with sea level rise. As Bay Area communities, especially vulnerable communities, become increasingly threatened by flooding, restoring the Baylands provides a green infrastructure approach to resilient shorelines.

To address this shortfall, Commission staff designed a project that would coordinate regional efforts, involve key stakeholders, investigate and shape new policies around sediment and soil issues for the Commission to consider, and develop a financing strategy to help tackle funding needs. In 2021, the Commission staff submitted a Wetlands Development Program Grant application to the USEPA and it was selected through a competitive process. The project, *New Sediment Management Policies for Wetland Restoration and Climate Change Resilience in San Francisco Bay,* includes three phases: (1) An Open Standards for Conservation Practice "Results Chain Analysis" with regional stakeholders to create a beneficial reuse roadmap; (2) a potential San Francisco Bay Plan Amendment to address emerging sediment issues, including those addressing wetland and climate adaptation needs; and (3) a financing strategy to support additional beneficial reuse of sediment and soil. The Commission staff partnered with the San Francisco Bay Joint Venture and the San Francisco Estuary Institute in this grant application.

The *San Francisco Bay Plan* (Bay Plan) has only limited policies that address sediment supply and beneficial reuse issues. This project would examine regional sediment supply and demand and how sediment is managed in the region to determine whether and how the Bay Plan should be amended to promote more beneficial reuse of dredged sediment and excess soil from construction projects. Commission staff proposes to work with the Commission's Working Group on Bay Fill to better understand the issues and leverage available for sediment and soil management, discuss the current policies, and determine whether and how the Bay Plan should be changed. If the Working Group determines a Bay Plan amendment is necessary, staff will

engage in the amendment process, and work with partners and stakeholders to review the wealth of information on the topic and propose policies focusing on sediment and soil as a resource that can and should be maximized in restoration and adaption projects.

Staff also proposes to work with the Commission's Financing the Future Working Group to examine possible financing strategies that would address the incremental cost increase of taking dredged sediment to beneficial reuse sites. Such a strategy would be vetted by the project's stakeholders to determine whether and how to implement it.

The grant funding will provide support for staff to work on this project for approximately two and a half years. The grant also will enable BCDC to hire a professional facilitator familiar with sediment management issues, Results Chain Analyses, and stakeholder engagement. Project partners include the San Francisco Bay Joint Venture staff, who have specific expertise and collaborative working relationships with the restoration community; and the San Francisco Estuary Institute staff who have expertise in sediment and water sciences, restoration practices, and rising sea level adaptation measures.

Unfortunately, due a miscommunication and subsequent calculation error, the project is not fully funded through the EPA grant, and as a result, BCDC may not be able to accept/complete the grant award/proposed project. The total project cost is $529,624, which means that the project is $150,00 short and BCDC does not have capacity within its budget to absorb the additional cost. Therefore, BCDC is seeking an additional $150,000 to fully fund the project. Staff is bringing the grant before the Commission at this time because the USEPA needs a prompt reply as to whether the Commission will accept the grant. Staff believes that it will be able to obtain the additional funds needed. If it turns out that the funds cannot be obtained the Commission can decline the grant.

## Staff Recommendation

The staff recommends that the Commission authorize the Executive Director to: (1) enter into a contract with the USEPA to receive $284,718 of grant funding and commit in-kind staff services valued at $94,906; (2) accept up to $150,000 in additional funding if and when it is identified; and (3) amend the contract if the amendment does not involve substantial changes in scope or exceed 10 percent of the total amount of the contract.